



DOC #2016080903

The Association is a Texas non-profit corporation, and attached to this certificate is a true and correct copy of the **CERTIFICATE OF FORMATION OF SHADY OAK ESTATES OWNER'S ASSOCIATION (NONPROFIT CORPORATION)**.


BRYAN P. FOWLER, *Attorney for the Association*

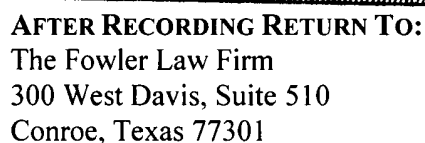
COUNTY OF MONTGOMERY §


NOTARY PUBLIC, State of Texas



COUNTY OF MONTGOMERY §


NOTARY PUBLIC, State of Texas



AUG 22 2016

Corporations Section

**CERTIFICATE OF FORMATION
OF
SHADY OAK ESTATES OWNER'S ASSOCIATION
(Nonprofit Corporation)**

The undersigned natural person eighteen (18) years of age or older and having the capacity to contract for himself or another, acting as Organizer of a nonprofit corporation under Title I, Chapter 3, Subchapter A of the TEXAS BUSINESS ORGANIZATIONS CODE, does hereby execute the following Certificate of Formation for such nonprofit corporation:

**Article I.
Entity Name And Type**

The filing entity being formed is a nonprofit corporation. The name of the entity is **SHADY OAK ESTATES OWNER'S ASSOCIATION** (herein referred to as the "Association").

**Article II.
Purpose**

The Association does not contemplate pecuniary gain or profit to the members thereof.

The general purposes for which the Association is formed are to provide for the maintenance, repair, preservation, upkeep, protection and architectural control of the residents' lots and common areas, if any, within that certain subdivision known as Shady Oak Estates (the "Subdivision") in Montgomery County, Texas, as depicted on those certain maps or plats of Shady Oak Estates, Section One, Shady Oak Estates, Section Two and Shady Oak Estates, Section Three, filed for record with the County Clerk of Montgomery County, Texas, under Clerk's File Nos. 9848922, 99048935 and 2002-035313, respectively, and as referenced in those certain declarations of covenants, conditions and restrictions filed in the Official Public Records of Real Property of Montgomery County, Texas under Clerk's File Nos. 2006-107533 and 2009-055825 (collectively, the "Restrictions"); and to promote the health, safety and welfare of the members of the Association and the residents of Shady Oak Estates; and specifically:

- (a) To promote the health, safety, and welfare of the lot owners of the Subdivision;
- (b) To enforce the Restrictions, as same may be amended from time to time, and any other covenants, conditions and restrictions applicable to the Subdivision or any part thereof;
- (c) To exercise all of the powers and privileges and to perform all of the duties and obligations conferred on the Association in the Restrictions or by any other covenants, conditions and restrictions applicable to the Subdivision or any part thereof;
- (d) To exercise all of the powers and privileges and to perform all of the duties and obligations of Dreamscape Land Development, Inc., the developer of the Subdivision (the "Developer"), which may be assigned to the Association by the Developer pursuant to the Restrictions or any other covenants, conditions and restrictions applicable to the

Subdivision or any part thereof; and as may be set forth in any supplemental or amended restrictions which may be filed from time to time pursuant to and in accordance with the authority and provisions of the Restrictions and/or this Certificate of Formation;

- (e) To fix, levy, collect and enforce payment by any lawful means, all charges or assessments pursuant to the terms of the Restrictions or any other covenants, conditions and restrictions applicable to the Subdivision or any part thereof and Bylaws as may be assigned to the Association; to administer, utilize and disburse said maintenance charges and assessments so as to promote the recreation, health, safety and welfare of the residents and for the improvement and maintenance of the Subdivision as provided in said Restrictions; to pay all expenses in connection with the collection and enforcement of said assessments and all office and other expenses incident to the conduct of the business of the Association, including all licenses, taxes or governmental charges levied or imposed against the property of the Association;
- (f) To acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Association;
- (g) To borrow money, mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;
- (h) To dedicate, sell, transfer or convey all or any part of the common area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members;
- (i) To participate in mergers and consolidations with other non-profit corporations organized for the same purposes or annex additional residential property or common area as provided for in the Restrictions;
- (j) To exercise all powers and authority of a property owners' association as set out in Chapters 202 and 204 of the TEXAS PROPERTY CODE, such powers and authority being hereby expressly adopted and incorporated herein by reference; and
- (k) To have and to exercise any and all powers, rights and privileges which a nonprofit corporation organized under the TEXAS BUSINESS ORGANIZATIONS CODE by law may now or hereafter have or exercise, but which are consistent with the Association's claiming and continuing to claim an exemption from federal income and state franchise taxes.

The exercise by the Association of the above powers and authority shall be subject to any specific limitations or conditions set out in the Restrictions or as provided by applicable law.

Article III. **Restrictions and Requirements**

The Association shall not pay dividends or other corporate income to its members, directors or officers or otherwise accrue distributable profits or permit the realization of private gain. The Association

shall have no power to take any action prohibited by the applicable provisions of the TEXAS BUSINESS ORGANIZATIONS CODE. The Association shall not have the power to engage in any activities, except to an insubstantial degree, that are not in furtherance of the purposes and powers set forth above.

Article IV.

Registered Agent and Registered Office

The initial registered agent of the Association is an individual resident of the State of Texas whose name is **Bryan P. Fowler**.

The business address of the registered agent and the registered office address is **300 West Davis, Suite 510, Conroe, Texas 77301**.

Article V.

Management

The management of the affairs of the Association is vested in a governing authority (the "Board of Directors"). The qualifications, manner of selection, duties, terms, and other matters relating to the Board of Directors shall be provided in the bylaws of the Association (the "Bylaws"). The initial Board of Directors shall consist of three (3) persons. The number of directors may be increased or decreased by adoption or amendment of Bylaws, but no decrease shall have the effect of shortening the term of any incumbent director. The number of directors may not be decreased to fewer than three (3). In electing directors, members shall not be permitted to cumulate their votes by giving one candidate as many votes as the number of directors to be elected or by distributing the same number of votes among any number of candidates. The initial Board of Directors shall consist of the following persons at the following addresses:

<u>Name of Director</u>	<u>Address</u>
Bruce Allegar	P.O. Box 2334 Conroe, Texas 77305
Randy Bowen	24850 Shady Oaks Blvd. Conroe, Texas 77316
Walter Fish	24669 Shady Oaks Blvd. Conroe, Texas 77316

Article VI.

Members

The Association will have members. Every owner of a lot ("Owner") located in the Subdivision, including contract purchasers, shall be a member of and entitled to voting rights in the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation, persons or entities who own only an easement, or those having an interest in the mineral estate only. Membership shall be appurtenant to and may not be separated from ownership of any lot.

Article VII.
Classes of Voting Membership and Voting Rights

The Association shall have two classes of voting membership:

CLASS A. Class A Members shall be all Owners with the exception of the Developer and, except as provided below, shall be entitled to one (1) vote for each lot owned in the Subdivision. When more than one person holds an interest in any lot, all such persons shall be Members. The vote for such lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any lot. During the the Developer Control Period (defined below), the Class A Members shall not be entitled to vote on (i) the election of Directors, (ii) amendment of this Certificate of Formation of the Association, (iii) amendment of the Bylaws of the Association, or (iv) amendment of the Restrictions.

The "Developer Control Period" is the period of time beginning on the date the Restrictions were filed for record with the County Clerk of Montgomery County, Texas and continuing until the Developer or its' successor owns no lots in the Subdivision, or for such shorter period as the Developer or its' successor shall determine.

CLASS B. The Class B Member shall be the Developer, or any person or entity which succeeds to all or substantially all of the unsold Lots in the Subdivision by merger, consolidation or conveyance and to whom the Developer's rights and privileges as the developer of the Subdivision are specifically assigned in writing. The Class B Member shall be entitled to one (1) vote for each lot owned within the Subdivision, and during the Developer Control Period, shall have the exclusive right to vote on (i) the election of Directors, (ii) amendments of this Certificate of Formation of the Association, and (iii) amendments of the Restrictions. The Class B membership shall exist during the Developer Control Period. At the end of the Developer Control Period, the Class B membership shall cease. If the Developer (or any other person or entity entitled to Class B membership) then owns any lot in the Subdivision, it shall become a Class A Member with all of the rights and privileges of the Class A Members.

Article VIII.
Action by Non-Unanimous Consent

Any action required or permitted by this Certificate of Formation, the Bylaws, or the Code to be taken at any annual or special meeting of Members may be taken, subject to any statutory requirements, without a meeting, without prior notice, and without a vote, if the Members having not less than the minimum number of votes that would be necessary to take such action (had the matter arisen at a membership meeting at which the all Members entitled to vote on the action were present and voted) sign a written consent or consents setting forth the action so taken. Likewise, any action required or permitted by this Certificate of Formation, the Bylaws, or the Code to be taken at any meeting of the Board of Directors may be taken, subject to any statutory requirements, without a meeting, without prior notice, and without a vote, if the Directors having not less than the minimum number of votes that would be necessary to take such action (had the matter arisen at a Board of Directors meeting at which the all Directors entitled to vote on the action were present and voted) sign a written consent or consents setting forth the action so taken.

Article IX.
Limitation of Liability of Directors and Officers and Indemnification

To the full extent permitted by applicable law, no director or officer of the Association shall be liable to the Association or its members for monetary damages for an act or omission in such director's capacity as a director or officer of the Association, except that this Article IX does not eliminate or limit the liability of a director or officer of the Association for:

1. a breach of such director's or officer's duty of loyalty to the Association or its members;
2. an act or omission not in good faith or that involves intentional misconduct or a knowing violation of the law;
3. a transaction from which such director received an improper benefit, whether or not the benefit resulted from an action taken within the scope of such director's or officer's office; or
4. an act or omission for which the liability of such director or officer is expressly provided for by statute.

Any repeal or amendment of this Article by the members of this Association shall be prospective only, and shall not adversely affect any limitation on the personal liability of a director or officer of the Association existing at the time of such repeal or amendment. In addition to the circumstances in which a director or officer of this Association is not personally liable as set forth in the foregoing provisions of this Article IX, a director or officer shall not be liable to the full extent permitted by an amendment to the TEXAS BUSINESS ORGANIZATIONS CODE or other statute hereafter enacted that further limits the liability of a director or officer.

To the full extent permitted by applicable law, the Association shall indemnify any director or officer against judgments, penalties (including excise and similar taxes), fines, settlements and reasonable expenses (including court costs and attorney fees) actually incurred by any such person who was, is or is threatened to be made a named defendant or respondent in a proceeding because the person is or was a director or officer and shall advance to such person such reasonable expenses as are incurred by him in connection therewith. The rights of directors and officers set forth in this Article shall not be exclusive of any other right which directors or officers may have or hereafter acquire relating to the subject matter hereof. As used in this Article, the terms "director" and "officer" shall mean any person who is or was a director or officer of the Association and any person who, while a director or officer of the Association, is or was serving at the request of the Association as a director, officer, partner, venturer, proprietor, trustee, employee, agent or similar functionary of another foreign or domestic corporation, partnership, joint venture, sole proprietorship, trust, employee benefit plan or other enterprise. As used in this Article, the term "proceeding" means any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, arbitral or investigative, any appeal in any such action, suit or proceeding and any inquiry or investigation that could lead to such an action, suit or proceeding.

Article X.
Duration

The period of its duration is perpetual, and the Association shall continue until dissolved as provided by law.

Article XI.
Dissolution

As long as Class B membership exists, the Association may only be dissolved by the vote of not less than two-thirds (2/3) of the total votes of the Class A Members of the Association and the vote of the Class B Member. Thereafter, the Association may be dissolved by the vote of not less than two-thirds (2/3) of the total votes of the Class A Members of the Association.

Article XII.
Manner of Distribution

After all liabilities and obligations of the Association in the process of winding up are paid, satisfied, and discharged in accordance with Chapter 11 of the TEXAS BUSINESS ORGANIZATIONS CODE, the property of the Association shall be applied and distributed as follows:

- (i) Property held by the Association on a condition requiring return, transfer, or conveyance because of winding up or termination shall be returned, transferred, or conveyed in accordance with that requirement; and
- (ii) The remaining property shall be distributed only for tax-exempt purposes to one or more organizations that are exempt under Section 501(c)(3), or described by Section 170(c)(1) or (2) of the Internal Revenue Code as provided in a plan of distribution adopted by the Association under the TEXAS BUSINESS ORGANIZATIONS CODE.

Article XIII.
Amendments of Bylaws

During the Developer Control Period, the Board of Directors of this Association is expressly authorized to alter, amend, or repeal the Bylaws or adopt new Bylaws of the Association, without any action on the part of the Members of the Association, but after the Developer Control Period, the Bylaws made by the Directors and the powers so conferred may be altered or repealed or new Bylaws adopted by the Class A Members in the manner provided in the Bylaws.

Article XIV.
Amendments to Certificate

During the Developer Control Period, this Certificate may only be amended by the Class B Member. After the Developer Control Period, the amendment of this Certificate shall require the vote of not less than two-thirds (2/3) of the total votes of the Class A Members of the Association.

Article XV.
Construction

All references in this Certificate of Organization to statutes, regulations, or other sources of legal authority shall refer to the authorities cited, or their successors, as they may be amended from time to time.

Article XVI.
Organizer

The name and street address of the Organizer is:

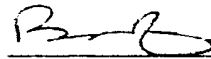
Bryan P. Fowler
300 West Davis, Suite 510
Conroe, Texas 77301

Article XVII.
Effectiveness of Filing

This document becomes effective when the document is filed by the Secretary of State.

EXECUTED by the undersigned Organizer on May 3, 2016.

Organizer:



BRYAN P. FOWLER

Form 509
(Revised 06/15)

Submit with relevant filing
instrument.

Filing Fee: None



**Consent to Use
of Similar Name**

(1) 158332461 Shady Oaks Estates Section II, Neighborhood Committee

Name and file number of the entity or individual who holds the existing name on file with the secretary of state

consents to the use of

(2) Shady Oak Estates Owner's Association

Proposed name

as the name of a filing entity or foreign filing entity in Texas for the purpose of submitting a filing instrument to the secretary of state.

- (3) The undersigned certifies to being authorized by the holder of the existing name to give this consent. The undersigned signs this document subject to the penalties imposed by law for the submission of a materially false or fraudulent instrument.

Date: 8-2-16

Jerry L. Faldyn
Signature of Authorized Person

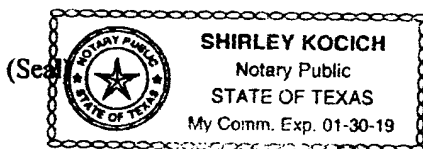
Shady Oaks Estates Sec. II
Name of Authorized Person (type or print)

PRESIDENT OF HOA
Title of Authorized Person, if any (type or print)

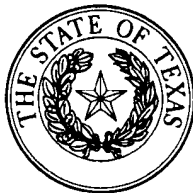
State of TX

County of FORT BEND

This instrument was acknowledged before me on 8-2-16 by JERRY FALDYN
(date) (name of authorized person)



Shirley Kocich
Notary Public's signature



Office of the Secretary of State

August 23, 2016

Lawyer's Aid Service Inc
PO Box 848
Austin, TX 78767 USA

RE: Shady Oak Estates Owner's Association
File Number: 802526058

It has been our pleasure to file the certificate of formation and issue the enclosed certificate of filing evidencing the existence of the newly created nonprofit corporation.

Nonprofit corporations do not automatically qualify for an exemption from federal and state taxes. Shortly, the Comptroller of Public Accounts will be contacting the corporation at its registered office for information that will assist the Comptroller in setting up the franchise tax account for the corporation. Information about franchise tax, and contact information for the Comptroller's office, is available on their web site at <http://window.state.tx.us/taxinfo/franchise/index.html>. For information on state tax exemption, including applications and publications, visit the Comptroller's Exempt Organizations web site at <http://window.state.tx.us/taxinfo/exempt/index.html>. Information on exemption from federal taxes is available from the Internal Revenue Service web site at www.irs.gov.

Nonprofit corporations do not file annual reports with the Secretary of State, but do file a report not more often than once every four years as requested by the Secretary. It is important for the corporation to continuously maintain a registered agent and office in Texas as this is the address to which the Secretary of State will send a request to file a periodic report. Failure to maintain a registered agent or office in Texas, failure to file a change to the agent or office information, or failure to file a report when requested may result in the involuntary termination of the corporation. Additionally, a nonprofit corporation will file documents with the Secretary of State if the corporation needs to amend one of the provisions in its certificate of formation. If we can be of further service at any time, please let us know.

Sincerely,

Corporations Section
Business & Public Filings Division
(512) 463-5555
Enclosure



Office of the Secretary of State

CERTIFICATE OF FILING OF

Shady Oak Estates Owner's Association
File Number: 802526058

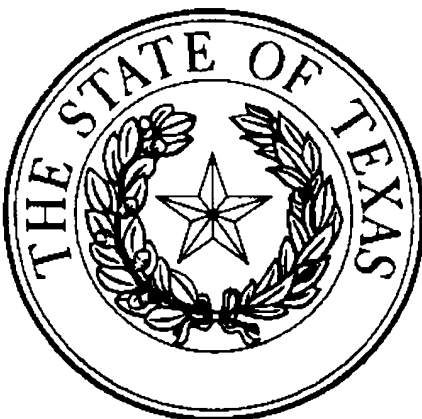
The undersigned, as Secretary of State of Texas, hereby certifies that a Certificate of Formation for the above named Domestic Nonprofit Corporation has been received in this office and has been found to conform to the applicable provisions of law.

ACCORDINGLY, the undersigned, as Secretary of State, and by virtue of the authority vested in the secretary by law, hereby issues this certificate evidencing filing effective on the date shown below.

The issuance of this certificate does not authorize the use of a name in this state in violation of the rights of another under the federal Trademark Act of 1946, the Texas trademark law, the Assumed Business or Professional Name Act, or the common law.

Dated: 08/22/2016

Effective: 08/22/2016



A handwritten signature in black ink, appearing to read "Cascos", followed by a horizontal line.

Carlos H. Cascos
Secretary of State

FILED FOR RECORD
09/07/2016 03:59PM



COUNTY CLERK
MONTGOMERY COUNTY, TEXAS

STATE OF TEXAS,
COUNTY OF MONTGOMERY

I hereby certify that this instrument was filed in the file number
sequence on the date and time stamped herein
by me and was duly RECORDED in the Official Public
Records of Montgomery County, Texas.

09/07/2016



County Clerk
Montgomery County, Texas